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RUEHLM/AMEMBASSY COLOMBO PRIORITY 6359  
RUEHKA/AMEMBASSY DHAKA PRIORITY 1607  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4382  
RUEHLO/AMEMBASSY LONDON PRIORITY 5650  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1867  
RUEHCI/AMCONSUL KOLKATA PRIORITY 3775  
RUEHGV/USMISSION GENEVA PRIORITY 1836  
RUEKJCS/SECDEF WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2920  
RHEFDIA/DIA WASHDC PRIORITY  
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001691

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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [KDEM](#) [NP](#)  
SUBJECT: UPDATE ON ELECTION ENVIRONMENT IN NEPAL

Classified By: Charge D'Affaires, a.i., Randy Berry; Reasons 1.4 (b/d).

#### Summary

1. (C) At the inaugural meeting of Post's Democracy Working Group August 31 representatives from NDI and IFES presented sobering assessments of the status of preparations for the Constituent Assembly (CA) election on November 22. Behind the scenes discussions to ensure that leaders of the Eight-Party Alliance will stand uncontested in the "first-past-the-post" races have reportedly expanded to include all the current members of the Interim Parliament. Few political parties have started to campaign; Nepali Congress and Nepali Congress-Democratic are hampered by their inability to complete unification, while the Young Communist League has shown it will not allow other parties' campaign activities to go unchallenged by disrupting an event by the Communist Party of Nepal (United Marxist Leninist). Logistics, election law gaps, press coverage and the extent of women's representation all remain troubling issues. In addition, the large budget shortfall for election expenses remains unaddressed, calling the Government of Nepal's commitment to the election into question.

#### Avoiding Competition?

2. (C) On August 31, the Ambassador chaired the inaugural meeting of Post's Interagency Democracy Working Group. Presentations from NDI and IFES on general election matters, and INL on election security, led to wide-ranging discussion on the challenges to be dealt with in the 82 days until the election. A proposal among leaders of the Eight-Party Alliance (EPA) that the top ten leaders from each party of the EPA run without opposition from other parties in the EPA has reportedly been expanded to include all incumbent Members of the Interim Parliament (MPs). Even though some incumbent MPs are expected to run for reelection, if the parties could actually reach such an agreement it would effectively limit competition for first-past-the-post seats in districts with incumbent MPs from the EPA. However, new political parties and other parties outside the EPA would not be bound by any such agreement and could spoil the plan, particularly in the Terai.

## Campaigning Off to a Slow and Rocky Start

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¶3. (C) None of the parties has begun effective nationwide campaigns. Both the Nepali Congress (NC) and Nepali Congress-Democratic (NC-D) are aware that they are poorly positioned to campaign prior to their unification. However, Prime Minister Koirala's (NC) apparent inflexibility in helping the NC-D save face in a final deal, and efforts to ensure a top position for his daughter, continue to delay unification, and thus Congress' ability to agree on a platform or to select candidates. The Maoist party approach to campaigning appears so far to be one of disruption rather than persuasion. Disruption of a Communist Party of Nepal (United Marxist Leninist) (CPN-UML) campaign event on August 30 in the western Nepal district of Kalikot by its Young Communist League (YCL) surrogates received widespread local press coverage and does not appear to be a one-off incident. Maoists activity in some districts has presented the illusion of a campaign, but they are still promoting demands rather than standard campaign activity. Many of the newly registered political parties appear to have few supporters and poor organization.

### Four Concerns

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¶4. (C) Logistics, election law gaps, media coverage, and the extent of women's representation all remain troubling issues. The Election Commission (EC) has come to recognize that it has lost a significant amount of logistical knowledge and

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support as a result of the agreement to keep the Nepal Army in the barracks and not have it play a role in the election. The EC is also faced with imperfect election laws and will have to fill the existing gaps through regulations, although this is technically illegal and could result in court challenges. Reports that freedom of the press has been restricted, especially in the Terai, continue to reach NDI and IFES. While some women are under the impression that women would comprise 50%, or at least 33%, of the Constituent Assembly, analysts report that even if the quota rules were followed exactly women would likely comprise only 22% of the new assembly. (Note: The quota of 50% women applies to the proportional representation candidate lists and selected members. Including first-past-the-post, seats, 33% of all candidates must be women, but there is no provision ensuring that women will win any first-past-the-post, seats. End Note.) While that would still be a significant improvement in women's representation, the discrepancy could lead to disenchantment if expectations are not corrected prior to the election.

### The Budget Gap

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¶5. (C) A sizable gap in the election budget is now apparent. The GON's estimated election budget stands at USD 40 million. Donors have pledged USD 17 million and the GON promised the remaining USD 23 million, but to date the GON's contribution has not materialized. With no new donor contributions in sight, the Peace Trust Fund empty, and no clear source from within the government, the GON's funding plan remains a mystery.

### Comment

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¶6. (C) Although the Election Commission has accomplished much to date, it is clear that it still faces many challenges and outstanding issues. Political parties are having a hard time accepting the risks that go along with competing in democratic politics and in fulfilling their role of interest aggregation and informing voters. Given the popular

dissatisfaction with the governing parties and Interim Parliament, and the possibility of widespread anti-incumbent voting, it is far from clear that any non-competition agreement within the EPA would guarantee the return of most incumbents. While recent agreements between the government and indigenous leaders (NEFIN) and with the Madhesi People's Rights Forum have been viewed as providing a positive and calming influence on the Terai, both agreements still face challenges as they have not yet been implemented by the government or accepted by all members. With the GON once again facing dissatisfaction with long lines at the gas stations in the Kathmandu valley and pressure from India to pay outstanding oil bills, there is speculation that the GON may face a choice between subsidizing fuel and fully funding an election ) and may be leaning towards the former.

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